

Attorney Docket # 4925-75

Serial No. **09/764,709**
Amdt. dated January 12, 2005
Reply to Final Rejection dated November 12, 2004

REMARKS

The Final Rejection mailed November 12, 2004 has been reviewed and carefully considered. Claims 1-34 are pending, with claims 1, 5, 17, 21, and 25 being the independent claims. Claims 21 and 22 are being amended to correct antecedent basis. Claim 1 is being amended to include the conjunction "and" before the last step.

It is noted that the PTO Form SB/08A (equivalent to PTO Form 1449) attached to the Final Rejection has what appears to be initials and a large "X" next to translated foreign patent documents JP 2000-057210 and WO 00/39657. Applicants assume that this means the Examiner has reviewed these documents. If that is not the case, applicants respectfully request the Examiner to review those translated documents. Applicants assume that a lack of response to this note means that the Examiner has indeed reviewed those documents.

Claims 21-24 were objected to for the improper antecedent basis; specifically, the Examiner indicated that any recitation of "a promotional offer" after lines 12-13 in Claim 21 should be "the promotional offer". Claim 21 has been appropriately corrected. Claims 22-24 do not recite the "promotional offer", and thus do not need that particular correction. Claim 23 had incorrect antecedent basis for "advertising message" and this is also being corrected in the present Amendment. On the basis of the preceding, withdrawal of the objection is respectfully requested.

Independent Claims 1, 17, and 21

In the Office Action proceeding this Final Office Action, the Examiner rejected independent Claims 1, 17, and 21 under 35 U.S.C. §103 as unpatentable over U.S. Patent No. 5,539,395 (Buss) in view of U.S. Patent No. 5,724,521 (Dedrick). In this Final Office Action, the Examiner has replaced the old grounds with the new grounds that independent Claims 1, 17, and 21 are unpatentable under 35 U.S.C. §103 Buss in view of U.S. Patent No. 6,332,127 (Bandera), a reference which had been used against claims depending from Claims 1, 17, and 21 in the previous Office Action.

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However, the new grounds in the Final Office Action, starting on the bottom of page 5 to the top of page 15, are mostly a verbatim copy of the old grounds (from pages 4-5 and 10-17 of the previous Office Action).

The only substantial differences in the text of the Final Office Action from the text of the previous Office Action are contained in the opening response to applicants' previous arguments and the two passages from the bottom line of page 6 to the fourth line of page 7, and from the third sentence in the 2nd full paragraph on page 9 to the second sentence on page 10. This is significant because the two new passages (which presumably are the foundation for the new grounds) rely on the Examiner taking Official Notice of details missing from the cited references. In other words, the Examiner is using Official Notice to "fill in the gaps" in the cited references so that all the limitations of independent Claims 1, 17, and 21 can be shown as "taught" in his rejection.

This use of Official Notice is both improper and incorrect.

In February 2003, the first revision (Rev. 1) of the Eighth edition of the MPEP was published with a completely revised **§2144.03 Reliance on Common Knowledge in the Art or "Well Known" Prior Art**. This section needed to be rewritten because of decisions of the Federal Circuit which greatly limit the circumstances under which an Examiner can assert "Official Notice" without documentary evidence. Some specific passages (with emphasis added) from §2144.04 are reprinted below:

Official notice without documentary evidence to support an examiner's conclusion is permissible only in some circumstances. While "official notice" may be relied on, these circumstances should be rare when an application is under final rejection or action under 37 CFR 1.113. Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known.

It would not be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known. For example, assertions of technical facts in the areas of esoteric technology or specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art. ...; *In re Eynde*, 480 F.2d 1364, 1370, 178 USPQ 470, 474 (CCPA 1973) ("[W]e reject the notion that judicial or administrative notice may be taken of the state of the art. The facts constituting the state of the art are normally subject to the possibility of rational disagreement among reasonable men and are not amenable to the taking of such notice.").

It is never appropriate to rely solely on "common knowledge" in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based. *Zurko*, 258 F.3d at 1385, 59 USPQ2d at 1697 ("[T]he Board cannot simply reach conclusions based on its own understanding or experience—or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence

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in the record in support of these findings.”). While the court explained that, “as an administrative tribunal the Board clearly has expertise in the subject matter over which it exercises jurisdiction,” it made clear that such “expertise may provide sufficient support for conclusions [only] as to peripheral issues.” *Id.* at 1385-86, 59 USPQ2d at 1697. As the court held in *Zurko*, an assessment of basic knowledge and common sense that is not based on any evidence in the record lacks substantial evidence support. *Id.* at 1385, 59 USPQ2d at 1697. See also *In re Lee*, 277 F.3d 1338, 1344-45, 61 USPQ2d 1430, 1434-35 (Fed. Cir. 2002) (In reversing the Board’s decision, the court stated “ ‘common knowledge and common sense’ on which the Board relied in rejecting Lee’s application are not the specialized knowledge and expertise contemplated by the Administrative Procedure Act. Conclusory statements such as those here provided do not fulfill the agency’s obligation....The board cannot rely on conclusory statements when dealing with particular combinations of prior art and specific claims, but must set forth the rationale on which it relies.”).

Ordinarily, there must be some form of evidence in the record to support an assertion of common knowledge. See *Lee*, 277 F.3d at 1344-45, 61 USPQ2d at 1434-35 (Fed. Cir. 2002); *Zurko*, 258 F.3d at 1386, 59 USPQ2d at 1697 (holding that general conclusions concerning what is “basic knowledge” or “common sense” to one of ordinary skill in the art without specific factual findings and some concrete evidence in the record to support these findings will not support an obviousness rejection). ... If such notice is taken, the basis for such reasoning must be set forth explicitly. The examiner must provide specific factual findings predicated on sound technical and scientific reasoning to support his or her conclusion of common knowledge. See *Soli*, 317 F.2d at 946, 37 USPQ at 801; *Chevenard*, 139 F.2d at 713, 60 USPQ at 241. The applicant should be presented with the explicit basis on which the examiner regards the matter as subject to official notice and be allowed to challenge the assertion in the next reply after the Office action in which the common knowledge statement was made.

... If applicant adequately traverses the examiner’s assertion of official notice, the examiner must provide documentary evidence in the next Office action if the rejection is to be maintained. See 37 CFR 1.104(c)(2). See also *Zurko*, 258 F.3d at 1386, 59 USPQ2d at 1697 (“[T]he Board [or examiner] must point to some concrete evidence in the record in support of these findings” to satisfy the substantial evidence test). If the examiner is relying on personal knowledge to support the finding of what is known in the art, the examiner must provide an affidavit or declaration setting forth specific factual statements and explanation to support the finding. See 37 CFR 1.104(d)(2).

As the passages quoted from the most recent edition of the MPEP above show,

- "Official Notice" is only appropriate in limited circumstances, and it should be *rarely* used in a Final Rejection;
- If used, Official Notice should be taken of facts capable of instant and unquestionable demonstration;
- If not capable of instant and unquestionable demonstration, an asserted fact must be supported by a prior art reference; and
- If Official Notice is traversed by the applicant, the Examiner must provide documents supporting the alleged fact in the next Office Action; if necessary, the Examiner must provide an affidavit/declaration setting forth specific factual statements.

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As will be explained in detail below, in this Final Rejection, the Examiner is asserting "Official Notice" of the details which the Examiner admits are not taught by the cited prior art references. The Examiner is taking Official Notice of these details *for the very first time*. Applicants respectfully request an explanation of what "rare" circumstances has forced the Examiner to rely on "Official Notice" (for the first time) in this Final Rejection. In general, applicants respectfully suggest that, if there are no clearly extraordinary circumstances justifying the repeated reliance on Official Notice in this Final Rejection, the rejections in which Official Notice is used (which includes at least the rejection of independent Claims 1, 17, and 21) be withdrawn.

On page 7 of the Final Rejection, the Examiner admits that Buss "does not expressly disclose the steps of ... defining a monetary value related to the promotional offer based on the number of mobile terminal users selected, ..." as is recited in independent Claims 1, 17, and 21. Apparently the Examiner asserts that this shortfall is fixed because:

... It is also customary in the art for a product manufacturer, a product distributor, a coupon issuer or an advertiser providing one or more coupons, related to one or more specific products, to qualified users during a promotional period or advertising campaign to limit the number of coupons that can be distributed or issued to the users by tracking the coupon usage through redemption data or reports collected from associated retailers (See the Golden's Patent cited as prior art by the Applicant and Lemon's Patent in the conclusion section). Finally, it is well-established in the industry that an advertiser or a product promoter conducts an advertising or promotional campaign based on a fixed budget set aside to run the campaign including providing an incentive or a discount coupon to a limited group of users, wherein the monetary value associated with each offer or discount coupon or incentive is dependent upon the associated budget ("Official Notice").

(Final Rejection, page 9, line 14, to page 10, line 2)

To the extent that the above paragraph is understood, it is believed that the Examiner is using these "customary" and "well-established" facts of which the Examiner takes Official Notice to supply the missing step of "defining a monetary value" as recited in Claims 1, 17, and 21. This is unacceptable, both because it is inappropriate for the Examiner to use Official Notice for the first time in a Final Rejection and because, even if these "well-established" and "customary" facts were indeed true (which we do not admit), it does not mean that the step of "defining a value for the dynamically generated promotional offer" as recited in the context of independent Claims 1, 17, and

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20 is obvious. For example, the "knowledge" that the monetary value of a coupon is dependent upon a budget does not render the step of "defining a value for the dynamically generated promotional offer of the advertising message based on the number of the selected mobile users selected" obvious in light of the cited prior art.

On the basis of the above, withdrawal of the rejection of Claims 1, 17, and 21 (as well as all of their dependent claims) is respectfully requested. In the alternative, if the rejection is maintained, applicants traverse the Official Notice of the Examiner (thereby triggering the MPEP requirement that the Examiner provide documents and/or affidavits/declarations supporting the alleged facts in the next Office Action). In addition, applicants reiterate their request that the Examiner provide, on the record, an explanation of what "rare" circumstances has forced the Examiner to rely on "Official Notice" in this Final Rejection. Finally, if the Examiner relies on either the "Golden's Patent" or the "Lemon's Patent" to maintain the rejection, applicants respectfully request the Examiner to cite the passages in those references on which the Examiner is relying for the alleged teachings.

Independent Claims 5 and 25

The Examiner is maintaining the same grounds of rejection for independent Claims 5 and 25 as in the previous Office Action; namely, independent Claims 5 and 25 are rejected under 35 U.S.C. §102 as anticipated by Buss. In response to applicants' previous argument, the Examiner asserts the following (emphasis added):

In general, Buss discloses sending a targeted advertising message to a plurality of qualified mobile users based on the users' purchase habits or history when the mobile users are **within a geographic location** proximate to a local store setting, for example, a product featured in the advertising message. Here, the advertising message content is specifically generated and targeted at the qualified mobile users in accordance with their purchase habits, stored in a database, wherein the advertising message is selected and presented to the users when they are in a location of interest. Technically speaking since the users' purchase habits or history is stored in a database and the targeted advertising message is specifically directed to the qualified mobile users' attention, then **it can be inferred here** that the system is capable of determining at any given time the number of qualified mobile users who will receive the (a) particular advertising message based on the users' purchase history stored in the database, as understood by professionals in the art. Hence, the prior art or the Buss's Patent does not have to explicitly disclose the argued claim limitations to render the claims (claims 5 and 25) anticipated. In other words, failure of those skilled in

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the art to contemporaneously recognize an inherent property, function or ingredient of a prior art does not preclude a finding of anticipation (MPEP 2131.01(III)).

(Final Rejection, page 2, line 19, to page 3, line 12)

To the extent that the above passage can be understood, it appears that the Examiner is arguing that the capability of "determining at any given time the number of qualified mobile users who will receive the (a) particular advertising message" is somehow inherently disclosed in Buss (or the "prior art") "based on the users' purchase history stored in the database, as understood by professionals in the art". First, it is difficult to understand the logic of this argument. Why would knowledge of a user's purchase history lead to knowing the location of the user's mobile terminal? Second, the Examiner appears to be relying upon an inherency argument which is both incorrect by law and incorrect by fact. Although the Examiner cites MPEP §2131.01 (III), it is respectfully suggested that MPEP §2112, entitled **Requirements for Rejections based on Inherency; Burden of Proof**, would be a better starting point for a rejection based on inherency. Subsection (IV) of §2112, part of which is reproduced below, has particular relevance here:

IV. EXAMINER MUST PROVIDE RATIONALE OR EVIDENCE TENDING TO SHOW INHERENCY

The fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic. *In re Rijckaert*, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993) (reversed rejection because inherency was based on what would result due to optimization of conditions, not what was necessarily present in the prior art); *In re Oelrich*, 666 F.2d 578, 581-82, 212 USPQ 323, 326 (CCPA 1981). "To establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.' " *In re Robertson*, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999) (citations omitted) (The claims were drawn to a disposable diaper having three fastening elements. The reference disclosed two fastening elements that could perform the same function as the three fastening elements in the claims. The court construed the claims to require three separate elements and held that the reference did not disclose a separate third fastening element, either expressly or inherently.).

As stated in the MPEP, to establish inherency, extrinsic evidence must show that the missing matter is *necessarily present* in the prior art reference. Furthermore, inherency may *not* be established by probabilities or possibilities: "the mere fact that a certain thing may result from a

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given set of circumstances is not sufficient". In the passage from the Final Rejection quoted above, the Examiner does not show how the feature of "determining at any given time the number of qualified mobile users who will receive the (a) particular advertising message" is necessarily present in Buss. Instead, the Examiner appears to indicate that the Buss system may be capable of "determining at any given time the number of qualified mobile users who will receive the (a) particular advertising message ". In other words, the Examiner is establishing inherency by the possibility or probability of that feature being enabled by the Buss system. This is incorrect under the law, as stated in the MPEP.

Furthermore, this establishment of inherency is incorrect by the facts, because there is no reason to assume that the feature of " determining at any given time the number of qualified mobile users who will receive the (a) particular advertising message" is *necessarily present* in Buss.

On the basis of the above, withdrawal of the rejection of Claims 5 and 25 (as well as all of their dependent claims) is respectfully requested. Furthermore, if a rejection based on inherency is used, applicants respectfully request the Examiner clearly show the reasoning as to why the inherent feature is *necessarily present* in the prior art teaching.

The invention claimed in the independent claims vs. the prior art

As was stated in the previous-filed amendment, none of the references (either alone or in combination) teach or suggest defining a value for the dynamically generated promotion offer of the advertising message based on the number of the at least one selected mobile terminal users that were checked and (known to be) located within a vicinity of a specific location of interest (which is recited in the independent claims of the present invention). For example, if ten users are detected as being located in the vicinity of a pizza parlor, and if the pizza parlor's total budget for promotional offers was \$100, each one of the ten users is dynamically computed to receive ten dollars of the promotional offer.

In Buss, the mobile terminal system merely filters messages which do not apply to the present location of the mobile terminal. In other words, the mobile terminal determines where it is located, and, based on that, filters out irrelevant messages. Filtering messages (by the individual mobile terminals) is the main disclosure of Buss. Specifically, Buss teaches a portable device which is capable of receiving a plurality of location based messages, determining the

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current location of portable device, and, based on that information, selecting a message that is suitable for the current location. Thus, for example, if a promotional offer for a particular pizza parlor was transmitted in the Buss system, there would be no way of knowing how many users are actually located in the vicinity of that particular pizza parlor, and therefore there is no way to dynamically value the promotion or e-coupon of each individual user. For example, if a \$10 promotional offer was offered in Buss, but the total promotional offer budget was \$100, and 50 users received and used the \$10 promotion, there would be a \$400 overcharge on the total promotional offer budget. Therefore, the claimed limitations provide fundamental differences. As the Examiner acknowledges, Buss does not expressly disclose the step of defining a price for the advertising message based on the number of mobile terminals matching the criterion.

Bandera teaches a method and system for providing time- and location-specific advertising via the Internet. According to the teachings of Bandera, advertising objects in displayed web pages can be changed based on the current location of the user terminal requesting the content (which it learns by the client terminal including its current location information in the request). In one embodiment, Bandera teaches the concept of using electronic coupons that are valid only at specific locations and at a specific time. A network registry may be utilized to reduce the risk of using certain coupon more than once, so the use of each of the coupons can be tracked. However, Bandera does not teach the step of dynamically valuing a coupon based on the number of user terminals matching certain criterion and located in the vicinity of the specific location of interest. Furthermore, it should be noted that the Examiner may be confusing the various values referred to in the present claims and in Bandera. In the present claims, the value is the value of the coupon (i.e., what the mobile terminal user will receive when using the coupon). By contrast, the value the Examiner cites in Bandera is the price the advertiser will pay for having the advertisement sent to the client terminal.

Dedrick teaches a metering service and charges an appropriately scaled fee to the advertiser depending upon where the end user reading the advertisement falls on a scale rating the end user's worth to the advertiser. In other words, Dedrick teaches a method and system for charging advertisers based on how well the consumer's profile matches the advertiser's defined profile as target customers for the advertisements. Further, the customers are credited for reading the advertiser's advertising messages. This disclosure in Dedrick has nothing to do with

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defining a value for the dynamically generated promotion offer of the advertising message based on the number of the selected mobile terminal users located within a vicinity of a specific location of interest, as recited in the independent claims of the present application.

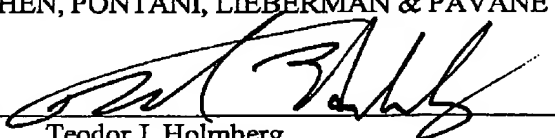
Thus, even if Buss, Bandera, and Dedrick are combined, the limitations of the independent claims (i.e., Claims 1, 5, 17, 21, and 25) are not met because none of the references determines the number of devices present in the relevant area and selects the value of the promotional offer based on this determined number of devices present. At least based on their dependence from the independent claims, which are believed to be in condition for allowance, the dependent claims (i.e., Claims 2-4, 6-16, 18-20, 22-24, and 26-34) are also believed to be in condition for allowance.

Based at least on the foregoing, applicants respectfully request that the Examiner withdraw the rejections and objections of any and all presently pending claims in the present application, and, further respectfully request their allowance.

Respectfully submitted,

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